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 The Honorable Carl Hayden
 Chairman
 Committee on Appropriations
 U. S. Senate
 Washington 25, D. C.

Dear Mr. Chairman:

You may recall that I have discussed with you the problem of the pay scale of the senior officers of this Agency. I have also mentioned this problem to your special subcommittee which deals with the budget for CIA. As I have indicated, it has become increasingly difficult to obtain and to retain the highly qualified personnel which are necessary to carry out the important assignments given this Agency under law and under National Security Council directives. In the present world situation, with which you are so familiar, this is becoming more and more difficult.

I have felt that you and other members of your subcommittee were quite sympathetic to this problem. As you know, it has been legally possible for me to effect adjustment of the salary scale under the authority of the Central Intelligence Agency Act of 1949 (P.L. 110, 81st Congress). Due to the pendency of the Executive Pay Bill, however, I thought it was wise to await action on that measure before proceeding.

The Executive Pay Bill has now become law (P.L. 854, 84th Congress), and it adjusts the salary of the Director and Deputy Director of Central Intelligence. For security reasons, however, we had not proposed the inclusion of other senior CIA officials in the Executive Pay Bill, as was the case with most executive departments and agencies of the Government. Under these circumstances I have consulted with the White House and with the Bureau of the Budget, with the view to putting into effect a pay increase which would affect about twenty five of the senior officers of the Agency in headquarters and about ten in the field. The total annual cost of the increases presently contemplated will be roughly \$75,000 per annum. This we can readily absorb in our existing budget.

In the light of the pay increases now specifically authorized for comparable positions in the Departments of State and of Defense, I feel that this is a modest allocation to the Central Intelligence Agency, and it will have a most important and beneficial morale effect. While I felt that in this matter I had your sympathetic understanding, I wanted you to know of the lines along which I am thinking and of the action I have proposed to the White House and the Budget Bureau.

I shall of course report in full to your subcommittee on this matter when I have the pleasure of meeting with you next year.

Sincerely yours,

SIGNED

Allen W. Dulles
Director

AWD/NSP:fm (10 Aug 56)

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